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Scott

Papers

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SASKATCHEWAN

Splendid Lands Bargain

Splendid Lands Bargain

The Conservatives Wanted to Saddle Saskatchewan with the Lands with a String Attached to Compel us to Continue Colonization Policy with the Lands, which would Prevent us Reaping any Nett Revenue from them.

And which would also Saddle the Province with the Expenses of Immigration and Mounted Police.

MR. BORDEN said—"Would it not be the task of good statesmanship to turn over the lands with a provision regarding the free homesteading policy and the prices of these lands and obtain the consent of the provinces to such provision."

On Second Reading of Bills

WALTER SCOTT.—Attention has already been called to the fact that I gave expression to some opinion in this House on the matter of dealing with the lands when the question of autonomy came to be settled. That is perfectly true. I may be permitted to read again some of the very good doctrine that I then uttered, as it is preserved in "Hansard." In 1901, I said:

If the proper principle is adhered to, if the principle of absolute equality be observed, if parliament places the new provinces upon an equitable basis, the local government will be given a proper grant for government, also the per capita subsidy, and be given what may be shown to be due as the debt allowance; and they will be put into possession of the public resources, lands, timber and minerals, in the same way as the other provinces were put into possession of these resources.

I might point out that that is not an absolutely accurate expression. These other provinces were not put in possession, but left in possession of these resources. Very young members sometimes fall into these inaccuracies.

I appeal to the House whether it would not be unwise and impolitic to create provinces on any different basis from that on which other provinces stand. Entire equality is the only sure guarantee of the permanency of the Confederation structure.

I think that is a perfectly true sentiment.

Is it not a fair proposition that the citizen of the Northwest should be looked upon in all respects as equal to the citizen of any other province. The proper policy for this parliament to pursue is to make the Northwest citizen in all respects equal to the citizen of any other province of Canada. The subjects that come under the purview of the local government affect the people more closely than those subjects dealt with by this parliament, and the

best way to promote the progress of that part of Canada will be to give as much financial ability as possible to the local legislatures to deal with their local affairs, so that education, public works, and all local services may be efficiently and adequately dealt with. My opinion is that by no other means can parliament do as much at one stroke to promote the progress and the true welfare, not of the Territories alone, but of Canada as a whole, as by placing the main portion of Western Canada in a strong, efficient, capable position as concerns its local government."

It will be observed that the burden of my statement related not so much to the question whether the lands should be transferred to local management as to the question whether these local governments should be given an equitable financial status in comparison with the local governments in the other provinces. And that object is achieved in these propositions presented by the government, not precisely, as I then urged, by actual transfer of the lands, but by a method, which, I am convinced, is financially even better for the local governments. I was a strong believer in the principle of the ownership of the lands by the province, or at all events, that the province should have the right of the beneficial interest in them. I am a strong believer in that principle still, and it is that principle that is practically assented to in this measure. But I may say, that in 1901, when I made that statement, and even later, the principle found no general acceptance in this House or amongst any of the people east of the great lakes; and my main purpose in uttering these words here was to try and impress upon the people of Eastern Canada the necessity of recognizing the right of possession or, at least, of the beneficial interest in the lands of the Northwest Territories by the people of these Territories. Now, this House has

already heard the very clear and ample statements made on this subject by the ex-Minister of the Interior (Mr. Sifton) and by my hon. friend from Edmonton (Mr. Oliver). They have made arguments which in my opinion are unanswerable. There has been no genuine attempt on the part of hon. gentlemen opposite to answer them. At all events those arguments were sufficient to convert me to the proposition that it is absolutely better for the people of the new provinces to have the lands administered here, so long as the provinces obtain a sufficient sum in lieu of lands to place them in an equitable position to carry on their educational system, their public works, and, generally, their local affairs. And I am the more confirmed in that view by the expressions which have fallen from hon. gentlemen on the other side of the House. The hon. member for North Toronto (Mr. Foster), who, we assume, is the chief financial spokesman for the Conservative party in this House, gave expression on the 15th of March to the following with regard to the financial terms embodied in these Bills. Addressing the Minister of Finance, he said:

His financial terms will bring upon him every province in the Dominion. Take it on any ground you like, and by the proportions which you have meted out to the Northwest, you have gone beyond the financial conditions of every other province in this Dominion.

What did the hon. gentleman mean? There is no difference in the item, grant for government. No one will contend that that is a better grant than the other provinces are drawing. There is no substantial difference in the per capita subsidy. There is just one province, Nova Scotia, up to the present time, exceeding the limit of 400,000 souls. Their population now is 460,000. But, except in that case, there is no difference at the present moment in the per capita arrangement made for these provinces and the arrangement at present in existence with other provinces. There is no difference in the debt account;—no other suggestion would be listened to with regard to the debt. The only meaning that can be attached to the hon. gentleman's words is that too much money is being paid to these provinces in lieu of their public lands. The hon. member for Jacques Cartier (Mr. Monk) gave expression to this sentiment on March 23rd:

I would like to point out, as a mem-

ber from the province of Quebec, that it would be a great calamity indeed if the Minister of Justice and the government did not arrive at a conclusion that it is necessary to modify that section which has regard for instance to lands,

As to us in the province of Quebec, why, sir, we have twenty-five million acres of good land for settlement, which we are trying to settle, which we are doing our best to settle. Instead of devoting all our energies and all our moneys and public resources to settle the lands in our own province, under the terms of the constitution, we are going to pay this enormous indemnity, these millions of dollars to keep a hold on the lands of the Northwest.

It is evident from these expressions that our hon. friends in the Conservative party, if they had the making of these proposals, would not have granted as good financial terms as we have now, would not have granted the amounts which are stated in the Bills to be paid to these new provinces. Now I find, in looking up the public records, that in pursuit of a proper and wise policy of settlement and development, this government has derived practically no profit from the Crown lands in the Northwest Territories since the Dominion first acquired them. From 1870 to 1880 the administration of Crown lands in Manitoba and the Northwest cost \$1,244,499.34 in excess of receipts. In the years 1881-1890 the accounts show \$753,576.51 in excess of expenditure amounting to \$184,398.95. In the years from 1901 up to 1904 there has been an excess of expenditure over receipts of \$11,733.49. Taking the whole period from 1870 up to date, therefore, the administration of lands in the Northwest has cost this Dominion \$687,055.25 in excess of receipts, to which must be added refunds amounting to \$329,950, making a total of \$1,017,005.25. But if we take into account certain lands granted in redemption of scrip issued for rebellion services, half-breed claims and other purposes, amounting to \$3,768,499, there is shown a favourable balance of \$2,741,484.75, or an annual average of \$78,328.13. As has already been stated, the Dominion profit from the policy so wisely pursued has to be looked for in other quarters,—from the customs and other receipts and from the generally improved conditions throughout Canada. The total revenues of Canada have increased in the last seven or eight years

by about 100 per cent. In 1896 the total revenue was \$35,000,000 or \$36,000,000, last year the total revenue was over \$70,000,000. We have been spending money in administering the lands, not for the purpose of making direct profit, but, on the other hand, we have brought about an exceedingly favourable result, in seven or eight years doubling the total revenue of this Dominion.

The particular benefit to the provinces in the plan that is being adopted, as opposed to the plan of transferring the public domain to the local governments, is found in the fact that we have from the start an assured revenue; whereas, if the lands were transferred to the local governments, and if no change of policy were put in to effect by them, they would have great difficulties, in the initial years of their provincial experience, in getting enough revenue to carry on the affairs of government. Moreover, their financial position is assured in the far future years, fifty or one hundred years hence, the Crown domain cannot be worth very much to those provinces so far as concerns their revenues. The principle of the provincial right to a beneficial interest in the land is recognized in the most substantial manner, and I am pleased to be able to say, because I believe it to be the truth, that the people of the Northwest are eminently satisfied. I venture to say that there is scarcely a man in the Northwest who is not actuated by partisan sentiment, but has stated, either to himself or his neighbors, that this is a better proposition than would be the proposition to turn over the lands to local management. I may be permitted to give the House some actual expressions of opinion on this point. So far as possible, I will not give partisan opinions. The "Standard" newspaper of Regina, published by a gentleman of independent tendencies, neither Conservative or Liberal, since the publication of the terms of these Bills has written:

It is difficult, at the present stage, to pass judgment upon the terms proposed in the Autonomy Bills. It is, however, quite evident that the Dominion will retain control of the Territorial public lands. Perhaps, under the circumstances, this is best for all concerned. The two great needs of the new provinces at first, will be population and railway development. To secure the former, the inducement of

free homesteads must continue to be offered, and to secure railway extension, lands, or the proceeds of lands are usually granted. Thus, we see, that if the new provinces owned the unallotted lands they would have practically to give them away. At the same time the cost of land administration would have to be borne. The duties of the Immigration Department, too, would follow the land. The new provinces could not be easily equipped for these onerous duties. It took the federal authorities many years to bring immigration work up to its present status. They have it now in a state of high efficiency, with experienced agents at work in various parts of the world. It is important that the good work shall continue to go on undisturbed. A handsome equivalent, either in cash or in interest-bearing credit, will suit the new provinces much better than the extra responsibilities which are involved in the ownership and control of the public domain.

The circumstances of the old provinces were altogether different. They had railways and population long before Confederation, and they also had the lands and their respective land departments in full organization.

By all means let Saskatchewan and Alberta have each an adequate allowance "in lieu of lands," but let Parliament take due heed of the full import of the term "adequate" as it applies in this instance.

I do not think, Mr. Speaker, I could find any better authority on this subject than Mr. Haultain. In that famous letter of protest which Mr. Haultain directed to the Prime Minister, and, which, it strikes me, was merely a formal protest in that regard, he stated at the conclusion:

But I am not unwilling to admit that an immediate income, increasing with population and certain in amount, may in the long run prove quite as satisfactory as any probable net income resulting from local administration of the public domain.

Now, I am going to read to the House a portion of a letter which came to me from a gentleman in Regina, dated February 24th, three days after these propositions had been presented to the House and had been reported in Regina. This letter was not sent me for publication, or with the idea that its contents would ever reach any per-

son but myself. I think a letter of this kind is the best sort of evidence to show the actual situation as it struck the gentleman who wrote the letter:

So far as the feeling here is concerned, it could hardly be stronger in favor of the government's propositions.

Such pronounced Conservatives as C. E. D. Wood, S. B. Jamieson, W. B. Pocklington, Norman Mackenzie, and James Brown voluntarily expressed not only their surprise at the generosity of the terms but their complete satisfaction with them. Mayor Laird stated to me, that as to the lands what the people wanted was money and if they received from the Dominion as much as they would realize by handling the lands themselves there would not be the slightest complaint.

All these gentlemen whose names are here contained are well known Conservatives. Mayor Laird is a gentleman who took a very prominent part in the campaign of last fall.

Mr. SPROULE—What is the name of the writer?

Mr. SCOTT—I have not the slightest objection to sending the letter across to my hon. friend (Mr. Sproule) but I would rather not publish the name of the writer. I think I have advanced a fair measure of proof that as far as concerns the treatment given to the provinces in connection with public domain it is treatment that is eminently satisfactory to the people chiefly interested.

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In Committee of the Whole

Mr. R. L. Borden said that according to the former views of Mr. Scott, it is not so much a matter of compensating the people of the Northwest for the lands as giving them the entire benefit.

Mr. SCOTT—It is my opinion that the resolutions before the House do substantially meet the views I expressed four years ago, and three years, and two years ago. Even if that were not the case, even if the hon. gentleman's interpretation were the one to be accepted, in his statement that it must then be impossible for me to accept the resolutions, he is setting up a standard for me which he does not allow to govern himself on all occasions. If I recollect aright, on the 22nd of March last, he put on the record in parliament in the form of a resolution, his view that full autonomy should be granted to the Northwest Territories.

Mr. R. L. BORDEN—Hear, hear.

Mr. SCOTT—full autonomy with regard to schools and also with regard to lands. But in less than an hour from that time, he suggested that the people of the Northwest Territories should be asked to relinquish a meas-

ure of autonomy with regard to the lands, that they should accept the lands with a string to them, the string suggested being that they should accept responsibility for the administration of the lands, but they were to give away the even numbered sections as free homesteads, and to continue to sell the odd numbered sections according to the policy which is in force at the present time or that which was foreshadowed by the ex-Minister of the Interior in his speech on the Grand Trunk Pacific Bill a couple of years ago. Let me say to my hon. friend from Calgary (Mr. M. S. McCarthy) who made a comparison with British Columbia, that if we allow ourselves to drift into comparisons of details with respect to the several provinces, we shall find between every province in Canada just as acute differences as he finds between the way British Columbia was treated with regard to a strip along the Canadian Pacific Railway and the way the new provinces

are being treated in regard to their lands. In fact, the hon. gentleman overlooked the most striking case of all, that of Prince Edward Island. That province is allowed \$45,000 a year, as I understand, not exactly in lieu of lands, but on account of the fact that she had not any lands. Now see what scope there is in that citation for the purpose of comparison. Take the case of Manitoba. I recollect reading a statement made by the Prime Minister of Manitoba a couple of weeks ago, in which he pointed out that the maximum revenue provided under the arrangement made by a Conservative government of this Dominion with that province, would be \$648,000, that would be the maximum revenue they would receive under the existing arrangement when that province reached the maximum population provided for. He then pointed out, with every appearance of a deep sense of grievance, that these new provinces will have a maximum revenue of \$2,207,000.

The hon. member for North Toronto (Mr. Foster), to whom I listened with much interest this afternoon, was much mistaken in thinking that these resolutions were agreed to without serious consideration of the matter of the lands. The revenues derived by the other provinces come from the Dominion treasury in the form of cash subsidies, and from the amounts which they are able to derive by administering, selling and otherwise disposing of their public domain. In considering the provisions for these new provinces, attention was naturally given to these two aspects of the case, we endeavoured to reach the proper amounts of ordinary cash subsidies by looking at the amounts the other provinces receive. Then we endeavoured to arrive at what would be a proper amount to allow the new provinces in consideration of the fact that they are not going to have in their actual possession the source of revenue which the other provinces except Manitoba, have in their possession, that is to say, the public domain. Of course there were two points of view, there was the federal point of view and the point of view of the people of the new provinces. Now let me say to the hon. member for North Toronto and the hon. member for North Lanark (Mr. Haggart), or to any one else who may

think that too much money is being granted by these resolutions to the new provinces, that they may set their minds at rest in that regard. While we have not perhaps the actual measurement in acres of the quantity of land, while perhaps we are not able to arrive at an absolute estimate of the value of these lands, I think no person has any doubt about the fact that we have an enormous public domain out there, and that if a private corporation had that domain in its possession and treated it entirely from the point of view of revenue, they would consider it worth a great deal more than the \$75,000,000 which is specified in these resolutions for both provinces. If this government decided to treat that public domain strictly from the point of view of revenue, I venture to think they would be able to dispose of it for a considerably larger amount than \$75,000,000. Even if we knew the exact number of acres of wheat lands, the exact number of acres of grazing lands, the exact area of timber lands, and of mineral lands, we could not be much further ahead than we are at the present time. I do not suppose there are any two individuals who would agree as to the value to be put upon this enormous public domain. I might say, as the ex-Minister of the Interior said with regard to these 50,000,000 acres, that in a short time they may bring \$3 an acre. Probably he was right. Or I might be disposed to think that they may be worth even \$5 an acre; and by stretching the time a little, that in twenty-five or thirty years hence, if some of these lands still remain in possession of the Dominion government, they may be worth \$30, \$40, or \$50 an acre. As I say, it is impossible to agree upon an estimate with regard to their value. When we were in consultation about this matter we had the advantage of the presence with us of the hon. gentleman from East Assinibola (Mr. Turriff) who until recently was the Commissioner of Dominion Lands; and I suppose he has as much information about that public domain as any one else in Canada. He told his colleagues and the members of the government who were in consultation, that there were, to the best of his knowledge, or that there would be, available from time to time, in addition to the even

numbered sections which are set apart for free homesteads, in the neighborhood of 50,000,000 acres of odd numbered sections available for sale. Some members of the government pointed out that, against that calculation it must be remembered that the homestead lands had to be administered, and that their administration cost a considerable amount from year to year, and that even if \$3 an acre was considered a fair value for the 50,000,000 acres, the cost of administration of those lands also ought to be deducted. It may be pointed out too,—I think it was pointed out once or twice, that there was a tacit understanding that the Dominion government was going to continue the mounted police force in those two new provinces, which at present means an expenditure of some hundreds of thousands of dollars per year. There were occasional allusions to the fact that it was the intention of the government to continue the immigration policy, which last year I think cost in the neighborhood of \$600,000 or \$700,000. On the other hand, we had to remember that in addition to these odd numbered sections amounting to 50,000,000 acres, there were considerable areas of timber lands, considerable areas of valuable coal lands, and perhaps some other mineral lands. It was not in the mind of any person taking part in these consultations that we could arrive at any hard and fast understanding of the actual value. The idea was to reach an approximate value by comparing the conditions in the other provinces, and keeping in mind the revenues derived from the public domain by those provinces, and in that way arriving at what would be fair amounts in the way of land subsidies to pay out to these new provinces.

Alluding to the question of values, and having regard to the statement made this afternoon by the hon. member for Calgary (Mr. M. S. McCarthy) and the hon. member for Qu'Appelle

(Mr. Lake), it may not be out of place for me to recall what I said in speaking on the second reading of the Bill, that up to the present time the Dominion of Canada has not reaped any net revenue from the administration of the public domain in Manitoba and the Northwest Territories. Some time ago I asked the Deputy Minister of the Interior to have a statement prepared for me in that regard. In my speech of a weeks ago, I gave a resume of this statement and if the committee has no objection I would like the privilege of handing it in full to the 'Hansard,' as it is long, and would take me a considerable time to read.

Mr. FOSTER—That is all right.

Mr. SAM HUGHES—I requested a similar privilege some time ago, and the First Minister refused. I must object.

Sir WILFRID LAURIER—The hon. member (Mr. Sam. Hughes) is right.

Mr. SCOTT—I wish to put in the whole statement. It was sent to me by the deputy minister on the 11th of March. He says:

Inclosure:

Ottawa, 11th March, 1905.

Dear Mr. Scott: In compliance with the request contained in your note to me of the 6th instant, I beg to inclose you herewith a statement of the approximate revenue and expenditure in connection with Dominion lands in Manitoba and the Northwest Territories from the 1st of July, 1870, to the 30th of June, 1904, and also a statement showing the arrears due the government on account of Dominion lands on the 30th of June, 1904.

Yours very truly,

W. W. CORY,

Deputy Minister.

Walter Scott, Esq., M.P.,

House of Commons, Ottawa.

Statement showing the Arrears due the Government on account of Dominion Lands in Manitoba and the Northwest Territories on June 30, 1904.

Dominion Land Sales.			Timber Dues,	
Principal.	Interest.	Total Sales.	Grazing Rent, &c.	Grand Total.
\$230,265 95	\$85,723 21	\$365,989 16	\$14,828 30	\$380,817 46

W. W. CORY, Esq.,
Deputy Minister of the Interior,
Ottawa.

CHAS. H. BEDDOE,
Accountant.

Department of the Interior, Accounts Branch, Ottawa, March 7, 1905.

Fiscal Year.	Dominion Lands Revenue.	Dominion Lands expendi- ture.	Capital Account expendi- ture.	Excess of Revenue over expendi- ture.	Excess of expendi- ture over Revenue.	Net Excess of expendi- ture over Revenue.
1869-1870-1870-1871	\$ 0	\$ 0	\$ 57,277.00	\$ 0	\$ 57,277.00	\$ 0
1871-1872	0	0	117,963.00	0	117,963.00	0
1872-1873	26,239.45	0	235,358.00	0	209,118.55	0
1873-1874	29,980.80	0	282,696.00	0	252,715.20	0
1874-1875	27,641.15	0	185,218.00	0	157,576.85	0
1875-1876	5,645.94	0	212,841.00	0	204,295.06	0
1876-1877	3,799.86	0	90,521.00	0	86,721.14	0
1877-1878	19,424.86	0	87,628.00	0	68,203.14	0
1878-1879	23,828.09	0	91,773.00	0	67,944.91	0
1879-1880	125,115.61	0	147,802.00	0	22,686.49	0
1880-1881	156,182.24	65,110.00	334,681.00	0	263,628.76	0
1881-1882	1,765,114.03	79,399.00	511,882.00	1,163,863.03	0	0
1882-1883	1,017,765.20	113,347.00	562,221.00	342,297.20	0	0
1883-1884	960,857.00	159,398.00	728,441.00	73,018.00	0	0
1884-1885	405,689.05	163,927.00	283,300.00	0	41,537.95	0
1885-1886	334,306.85	181,165.00	106,500.00	0	52,858.15	0
1886-1887	192,637.56	220,396.00	114,800.00	0	142,538.44	0
1887-1888	187,256.53	212,160.00	89,285.00	0	114,168.47	0
1888-1889	205,622.88	201,943.00	87,000.00	0	83,320.12	0
1889-1890	147,432.19	181,342.00	53,700.00	0	127,559.81	0
1890-1891	192,968.65	164,283.00	68,200.00	0	40,216.35	0
1891-1892	255,043.66	130,307.00	52,700.00	72,036.66	0	0
1892-1893	214,353.58	131,553.00	95,000.00	0	13,169.42	0
1893-1894	158,555.25	128,100.00	129,000.00	0	98,544.75	0
1894-1895	130,852.69	124,708.00	91,600.00	0	86,455.31	0
1895-1896	132,437.24	108,888.00	69,330.00	0	45,780.76	0
1896-1897	352,044.69	106,846.00	72,168.00	0	26,969.31	0
1897-1898	211,060.47	90,315.00	83,727.00	37,018.47	0	0
1898-1899	242,586.24	89,708.00	108,332.00	44,546.24	0	0
1899-1900	248,035.58	108,533.00	167,367.00	0	27,804.42	0
1900-1901	289,497.45	138,082.00	209,540.00	0	53,124.55	0
1901-1902	367,903.93	163,812.00	272,871.00	0	68,779.07	0
1902-1903	811,935.31	197,317.00	348,929.00	265,689.31	0	0
1903-1904	796,535.82	267,568.00	679,487.00	0	150,519.18	0
	9,711,887.75	3,528,807.00	6,870,136.00	1,998,468.91	2,685,524.16	0
Less refunds	829,950.00	0	0	0	329,950.00	0
	\$3,881,937.75	\$3,528,807.00	6,870,136.00	1,998,468.91	3,015,474.16	1,017,005.25

*Dominion Lands expenditure from 1870 to 1880 included under capital account.
Scrip not included above, \$3,768,490.

I trust that my hon. friend from Victoria and Haliburton is interested in these figures which he has compelled me to take the time to read. There were only seven years since 1870 in which there has been a net revenue in the administration of the public domain in Manitoba and the Northwest.

Mr. HAGGART—That does not include immigration? That is only the management of the lands?

Mr. SCOTT—The management of the lands alone.

Mr. FOSTER—Does that include the head office management here? I should judge not.

Mr. SCOTT—My hon. friend from Eastern Assinibola (Mr. Turritt) states that it includes a portion of the head office management.

Mr. LAKE—I suppose that is quite distinct from the expenditure in the Yukon?

Mr. SCOTT—Yes, the Yukon is excluded from the statement. It alludes to Manitoba and the Northwest Territories alone. I would further say to my hon. friends from Qu'Appelle and Calgary that I should not be so enthusiastic in favor of this proposition for the Dominion government to retain the lands and to pay these amounts to the provinces in lieu of the lands if I were satisfied as to how the local governments were to be able to run their business during the initial years, especially if the lands in lieu of these moneys are transferred.

Mr. M. S. McCARTHY—I would like to ask the hon. member if he did not advocate up there for years the retention of the land by the provinces? Did he not claim for years that the land belonged to the provinces and should be administered by them?

Mr. SCOTT—Is that the hon. gentleman's whole question?

Mr. M. S. McCARTHY—Yes.

Mr. SCOTT—Yes, I did in common with a very large number of people in the Northwest Territories, in common with practically all the members of the Legislative Assembly, and I venture to say that to-day a very large majority of the members of the Legislative Assembly—I speak from knowledge; I have seen them and they have told me so themselves, in fact members of the Legislative Assembly told me so before last New Year's, before these negotiations commenced—hold the same opinion now that I hold now. Together with them I have to some extent changed my mind in that regard, but if my hon. friend will read the statement that I made in the House three or four years ago he will find that what I laid particular stress upon was not so much the plea that the land should be turned over to the provinces as the plea that the government should put these provinces on an even financial plane with the other provincial governments in Canada. Let me ask my hon. friend where he thinks the local governments will get their revenue if they are not given the

amounts that are provided for in lieu of lands? If the lands were turned over to them with the string attached that the hon. leader of the opposition (Mr. R. L. Borden) proposed in this House, how would the governments of the provinces get the moneys necessary to carry on their business?

Mr. R. L. BORDEN—The hon. member for West Assinibola (Mr. Scott), has made that statement three or four times. Surely he understands the proposal I made. I have pointed out to him before two or three times what I said, but still he persists in repeating what he has twice repeated to-day. He has distinctly twice to-day said that the only proposal I made in regard to these lands was that they should be handed over with certain restrictions. Is that the hon. gentlemen's statement?

Mr. SCOTT—I certainly understood the hon. gentleman to suggest that.

Mr. R. L. BORDEN—Will the hon. gentleman answer me fairly? Does he understand that to be the only proposal or the first proposal I made,

Mr. SCOTT—No.

Mr. R. L. BORDEN—Well, then, why does he repeat it? Not only to-day, but on a previous occasion he has sinned in common with other members from the Northwest in this respect. Why does he endeavor to quote me as only making that proposal and no other proposal in the first instance?

Mr. SCOTT—Then I understand that the proposal of the Prime Minister being to retain the land here, the hon. gentleman's alternative proposal was to transfer the lands to the provinces?

Mr. R. L. BORDEN—Absolutely.

Mr. SCOTT—And my hon. friend (Mr. R. L. Borden) went on to say that if he could not carry out his exact proposal, then it would be the task of good statesmanship to carry it out with this string to it—

Mr. R. L. BORDEN—I said that if there was any danger, but I did not think there was any, then I would adopt that course.

Mr. SCOTT—If the hon. gentleman can show that he has the backing of his party to transfer these lands unrestrictedly to the new provinces, then

we will talk business with him; but, as I understand it, he is only speaking for himself.

Mr. SAM HUGHES—The hon. gentleman Mr. Scott) is not the Minister of the Interior, and he has no authority to speak for the Northwest Territories.

Mr. SCOTT—I have entire authority to speak in my position as member for West Assinibola, which is a portion of the Northwest Territories. Taking my hon. friend's own words, that it would be the task of good statesmanship, if he were driven to it, to turn these lands over with his string to it, then I ask the hon. gentlemen from Calgary and Qu'Appelle to tell us how the provincial governments would be able to get enough money during the next five years, for instance, to build roads and bridges and maintain schools?

Mr. W. F. MACLEAN—When the hon. gentleman proposed that the new provinces should retain these lands, how did he think they were going to get the money?

Mr. SCOTT—I had not figured it out as thoroughly as I have since.

Mr. W. F. MACLEAN—Have you figured it out now?

Mr. SCOTT—To some extent, and if my hon. friend (Mr. W. F. Maclean) will pay attention to me, perhaps he will be able to throw some light upon the question. A portion of the \$1,030,375 which each of these provincial governments is going to have from the 1st of July next, we trust, to devote to the services of local government; a portion of it is the \$375,000 to be given them in lieu of the lands—

Mr. W. WRIGHT—Could we not give them all the subsidy now in this proposed measure and give them the lands as well, and come out ahead by over one million dollars?

Mr. SCOTT—If my hon. friend (Mr. W. Wright) can get his leader and the majority on his side of the House, as well as the majority on this side, to agree to that proposition, those of us from the Northwest Territories will jump at it. But at the present time the arrangement is that each of these provinces shall receive a little more than \$600,000, and, in addition, \$375,000 in lieu of lands. And if the prov-

vinces are going to be given their lands, then this parliament will have to consider very seriously whether it will be justified in continuing to maintain the Mounted Police in those provinces. If we are going to put these provinces absolutely in the position of the other provinces, I suppose we could not maintain the Mounted Police which costs parliament about one-half million dollars in the whole Territories, and which would mean an expenditure of about one-quarter of a million for each province—

Mr. R. L. BORDEN—May I interrupt my hon. friend here? There was something said about the Mounted Police, and as to some arrangement, which did not appear on the face of the Bill. Has the Prime Minister any announcement to make in that regard?

Sir WILFRID LAURIER—There has been no arrangement made.

Mr. R. L. BORDEN—I mean as to the intention of the government.

Sir WILFRID LAURIER—We will come to that when I propose the estimates for the Northwest Mounted Police. I shall announce the policy of the government then.

Mr. R. L. BORDEN—I do not ask that anything should be discussed out of its turn, but the question of the maintenance of the Northwest Mounted Police is relevant to the financial features of the Bill, as the hon. member (Mr. Scott) also seems to think.

Mr. SCOTT—As the Prime Minister has suggested, we have the announcement with regard to the Northwest Mounted Police for the coming year in the estimates already before the House. Then there is the question of immigration. If the lands were entirely turned over to the provincial governments would the leader of the opposition consent to have this parliament vote \$600,000 or \$700,000 a year for immigration? Every one I have ever heard discuss this matter agreed that if the lands were transferred to the provinces, the provinces would have to relieve this parliament to some extent from the expenditure on immigration.

Mr. SAM HUGHES—Every session we vote money for immigration in the Lake St. John region, Quebec, and in Manitoba, and I never heard of any agreement with these provincial governments.

Mr. SCOTT—Will the hon. gentleman (Mr. Sam Hughes) be prepared to state that he will vote to hand the lands over unrestrictedly to the people of the new provinces, and then continue to vote for an immigration expenditure of \$600,000 or \$700,000 a year?

Mr. SAM. HUGHES—I am not in the witness box. My hon. friend (Mr. Scott) seems strangely agitated this afternoon in the absence of the real Minister of the Interior, who is not here, and who apparently has deputed the would-be Minister of the Interior to take his job. Let the hon. gentleman (Mr. Scott) make his speech and we will answer it in good time.

Mr. SCOTT—I hope I am not displaying any undue agitation, but I do feel, and I have felt for a long time past, a great interest in this question. As I say, if with possession of the lands and without these land subsidies the provincial governments would be able to carry on their business without borrowing money in their early years, I would have less objection to the land being transferred. But I am satisfied, from the calculation I have given, that the provincial governments would be in very great difficulties, especially in

their early years, if they had to accept the responsibility of the administration of the lands and not have the ready money from the beginning that is being provided for in these resolutions. Deduct the amount that is to be given in lieu of the lands, place the expense of the Mounted Police service on these provinces, saddle them with a part of the expense of the immigration service and, in place of having one million dollars per year to maintain schools and build roads and bridges, these provincial governments would find themselves each with a revenue of less than a quarter of a million dollars per year.

Mr. LAKE—The hon. member read a statement of expenditure on Dominion lands and amongst others was the expenditure chargeable to capital account. I happen to have the public accounts before me and I find that the expenditure on capital account is something over \$6,000,000. I understood the hon. gentleman to state the amount at something like \$9,000,000.

Mr. SCOTT—No, the \$9,000,000 will be the capital and the ordinary together. The capital expenditure was \$6,870,136.

Haultain's Land Policy

(Extract from Haultain Campaign Pamphlet on Land.)

"The sale of the entire lot at a figure not less than \$4 per acre would be easily effected. This would mean that a sum of \$200,000,000 would be immediately available."

The Haultain policy means that private speculators would be given control of every remaining acre of odd-numbered sections, who could hold it until the hard work of the settler enhanced its value to \$15 an acre or perhaps \$30 an acre.

But the fact is that there are not 50,000,000 acres nor half of 50,000,000 acres in odd-numbered sections left in Saskatchewan for sale by the Government.

A further fact is that if the Province took the lands the Province would have been forced to agree not to sell all the land en bloc or at the highest possible price but to carry on the present low price policy which yields no revenue.

By our bargain the Province gets this year \$468,750 out of the Lands, and later on will get \$1,125,000 every year forever. The Province will be drawing this money year by year long after all the lands are gone from government possession.

Haultain wants to take a law suit to try to rob Saskatchewan of this good bargain.

Is it not better to accept the good bargain, keep clear of law suits, observe the peace, and use the money to promote everybody's welfare by building roads and bridges and by aiding our excellent system of public schools?